



DANE COUNTY

Kathleen M. Falk
County Executive

January 29, 2007

TO: Members of the Wisconsin Legislature

FROM: Kathleen M. Falk
Dane County Executive

RE: Support AB 20/SB 14 (Provide Loans to Persons who Paid More Property Taxes due to a Department of Revenue Error in Calculating Equalized Value)

The purpose of my note is to encourage your support and "Yes" vote for AB 20/SB 14.

The legislation, sponsored by Representative Davis and Senator Erpenbach, was introduced to resolve a problem created by a Department of Revenue (DOR) mistake that resulted in Town of Oregon homeowners in Dane County, being overcharged \$300 to \$600 on their property tax bills. AB 20/SB 14 allocate up to \$600,000 in interest-free loans to cover the \$47 million error in the equalized value base that negatively impacted homeowners with an unexpected increase in tax bills during the holidays. The Department validated the equalized value base at \$399 million instead of \$352 million, the correct amount.

The interest-free loans (June 15 deadline) in AB 20/SB 14 offer some relief for the homeowners who were harmed by this mistake. Please support this legislation which not only helps the Town of Oregon but other communities in the future that might suffer from a similar mistake.

Please Vote Yes on AB 20/SB 14. Thank you for your consideration.



State of Wisconsin • DEPARTMENT OF REVENUE

2135 RIMROCK RD. • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933
PHONE (608) 266-6466 • FAX (608) 266-5718 • <http://www.revenue.wi.gov>

Jim Doyle
Governor

Roger M. Ervin
Secretary of Revenue

Committee on Ethics Reform and Government Operations Hearing – January 31, 2007 (Senator Erpenbach)

SB 14 – Relating to Providing Loans to Persons Who are Paying More Property Taxes as a Result of Department of Revenue Errors in Calculating Equalized Value and Making an Appropriation

Description of Current Law and Proposed Change

Equalized value is used to allocate property tax levies of multiple-municipality entities (such as the state, counties, technical college districts, and school districts) to each constituent municipality. If the equalized value is overstated or understated, the amount of tax levies allocated to that municipality will thus be overstated or understated. Currently, errors in equalized values are corrected by adjusting the subsequent year's equalized value, as required under s.70.57 (1) (d). Thus, over a two-period, the total levies allocated to a municipality will total to the correct amount.

Under the bill, if a municipality's equalized value is overstated by 10% or more due to a Department of Revenue error, the municipality may receive a payment from the state equal to the total amount of loans it makes to property owners whose taxes were higher due to the error. A taxpayer may receive a loan if he or she applies to the municipality no later than June 15 (or about 45 days before the final installment of the property taxes affected by the error is payable.) The maximum amount of the loan is the amount by which the taxes were increased due to the error in equalized values. The loan is recovered as a special charge on the taxpayer's subsequent year's property tax bill, which the municipality then pays back to the state. No interest is charged to either the municipality or individual taxpayers.

Fairness/Tax Equity

- The bill would permit a property owner to pay the "correct" amount of property taxes in both the year of the error and the following year, instead of waiting a year for the error to be corrected, as happens under current law.
- The bill may be especially beneficial to taxpayers for whom the erroneously higher taxes are a financial burden.
- While the June 15 deadline to apply for a loan and the June 30 final date for the department to make payments to the municipality confine state expenditures under the bill to the current fiscal year, taxpayers will be required to make their determinations of whether to request a loan about 45 days prior to the final installment due date of July 31.

Impact on Economic Development

- The bill has no effect on economic development.

Administrative Impact/Fiscal Effect

- For the 2006/07 property tax year, only the Town of Oregon in Dane County would be affected by the bill. The error in the Town's equalized value increased the property taxes allocated to the Town by a total of about \$578,000. Thus, if every taxpayer in the Town requested a loan for the amount by which their 2006/07 tax bills were overstated, total loans would be about \$578,000. Since some taxpayers are likely not to request a loan, the actual amount that will be borrowed will be less than \$578,000. The Department is unable to reasonably project how many taxpayers would request these loans if the bill is enacted.
- The Department of Revenue's administrative costs under the bill will be absorbed within existing budgetary authority. The Town of Oregon will have some administrative costs related to administering the loans.

DOR Position

- DOR supports the bill.

Prepared by: Daniel Huegel, (608) 266-5705

January 29, 2007

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THE UNIVERSITY OF CHICAGO

CHICAGO, ILLINOIS

DECEMBER 10, 1964

TO THE PRESIDENT OF THE UNIVERSITY OF CHICAGO

FROM THE FACULTY OF THE DIVISION OF THE PHYSICAL SCIENCES

WE, THE FACULTY OF THE DIVISION OF THE PHYSICAL SCIENCES, have the honor to acknowledge the receipt of your letter of December 8, 1964, regarding the proposed appointment of Dr. [Name] to the position of [Title]. We are pleased to learn that you are considering this appointment and we believe that Dr. [Name] is a highly qualified individual who would be a valuable addition to our Division.

We have discussed this matter with the members of the Division and we believe that the appointment of Dr. [Name] would be in the best interests of the University and the Division. We therefore recommend that you approve this appointment. We are confident that Dr. [Name] will make a significant contribution to our research program and to the University as a whole.

We are grateful for your consideration of our recommendation and we look forward to your favorable response. Please do not hesitate to contact us if you have any questions or need further information.

Very respectfully,
[Signature]

[Name]
[Title]
[Address]
[City, State, Zip]

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WILSON'S UNIVERSITY OF THE SOUTH

MEMPHIS, TENNESSEE

TO THE HONORABLE SENATE OF THE UNIVERSITY OF THE SOUTH
AT MEMPHIS, TENNESSEE
I have the honor to acknowledge the receipt of your letter of the 10th inst. and in reply to inform you that the same has been forwarded to the proper authorities for their consideration.

I am, Sir, very respectfully,
Your obedient servant,
J. W. WILSON, President